CADRO_./:ARBOHYDRATE CONTACT REPORT

30 April 1955
Date, Time, and Place of Meeting: 28 April 55, 1900-2130, CARBO's Apt.

Present: a. CARBOHYDRATE b.

- 1. After the daugal amenities; CARBOHYDRATE delivered the following written material:
 - a. Hetter to CARBO YDRATE from Simoni covering a letter to Simoni from CARCARANA. In the latter letter CARCARANA states he does not agree to his hyr. old son's leaving Germany with CARCARANA 2, but desires the son to be cared for by CARCARANA's mother. CARCARANA instructs Simoni to act accordingly. CARBO regarded this as possibly serious—it might interfere with CARCARANA 2's plans to leave for America in July. Simoni, CARBO, and CARCARANA's mother will meet together 3 May. Two important questions are, of course, (1) will CARCARANA 2 be willing to leave for America uven without her son, and (2) can her mother in law maximum support the son (if she can't, and CARCARANA can't, there seems to be no clear alternative to CARCARANA 2's retaining custody of the child). HARVARD to be informed.
 - b. Fragebogen on Managea Kurt WOLFF, a new employee who will take KAISERAs place as photographer.
 - c. Report of arrest of a relative of a visitor. Arrestee is Ernst Wendt, ca. 50 yrs., Berlin, Dimitroffstr. 219. Arrest occured approx 25 March 55. Visitor had learned that arrestee had been connected with a foreign intelligence service, had often visited W. Berlin to see a fun HEIN near Hallisches Tor. Visitor also gave the name of fun HUERENTHAL as that of another IS contact of her relative. For Agent Control.
 - d. Two further reports written by Ehrlich re the earlier reported approach to him by Alfred Lenguer on behalf of theSFS. Lenguer was arrested by the police and later released after con essing. He is now back in the DDR. Attached.
 - e. CADROIT file on KAISER. Renk is acting in a private capacity as a lawyer for aiser. Renk has written the bank to which KAISER owes DM 1,000 asking for further details re the bank's decision to withholk all of KAISER's my for May and June. The background on this point is as follows: When aisor earlier borrowed the money from the bank, the latter required that he sign a paper directing CAIROIT to deliver his monthly pay to the bank. The latter would deduct DM 50, and pay the rest to KAISER. Note that the bank has no right to withhold the whole month's to the bank and earlier agreed to do so. Recently the bank, hearing that KAISER was in financial difficulities, wrote him that it would withhold his whole pay. CARBO noted that this raised a problem for CADROIT 3 May was CADROIT payday, and Frau v. Ro., the paymaster, did not know to whom to deliver KAISER's salary. What directions had she received? None, since persons concerned out of town. _____ instructed is CARBO to have V. Ro. pay DM 50 to the bank and the rest to KAISER. _____ to be notified immediately if anything goes wrong at the this plan. A suggestion that CADROIT hold the entire pay until the legal question involved is settled was firmly rejected.

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- f. File on Rittwagen. For
- g. Name and address of "Liebermann" (Otto Neukama, born 15/8/91 in Berlin. Present address: Modershinstr. 66). CARBO stated Wolf still had the file, which could not be gotten away from him at present without causing undue interest to be shown. CARBO will get file when possible.
- h. Letter written to CAUROIT by person who had seen young workers from Reichsbehn-Ausbesserängswerk Oberschoeneweide who had apparently been to a rifle match in East Berlin and were now seen in North Berlin with rifles slung over their shoulders. The only point is that it is very unusual for people from the East to bring weapons with them when entering W. Berlin.
- File on a CA:ROIT mailer who has been discovered to be an SFS MAS Spitzel. The SFS DOES NOT KNOW THAT CADROIT HAS DISCOVERED THE ATTEMPTED PENETRATION. Two types of control letters had been included in the material given the mailer to mail from East Berlin. Only one type (with W. Berlin return addresses) had ever been re turned. The ixem relatively new type of control latter (with return addresses located in small villages located in the Fedrep very near the border) had not been returned. It was suspected that the mailer might not have been sending all of his letters, or at least that something was wrong. Another mailer was given the task of surveilling the Spitsel. On the first attempt, the Spitzel was observed getting his letters from the CAIROIT Volkswagen, but succeeded in jumping from an S-Bahn car too rapidly to be followed further. This immuse incident repeated itself on the second attempt. On the third observation, the Spitsel was followed into East Berlin where, after appropriate changes of direction, etc. he was picked up by a dark car bearing police number. Discussion with CARBO showed following know of above details of case: Temptating Froelich (chief of Org. Abt,), Pesch, Froelich's Lt.), CARBO, mailer who conducted surveillance (Werner Warffx Wolff-dees not know all details, but had to know description, etc.). The way is open to exploit this case for CART or other aims in any way we wish. CARBO noted the Spitzel was due to receive more letters 30 April—what should be done? that letters should be furnished him in theusual manner. All precautions should be taken to insure that the Spitsel did not lears that CADSOLT suspects his STS activities. [] wanted to give the matter dome study and no final decision was made as to what the ultimate shall aim of any op run through the Spitsel would be; but it was emphasized that our greatest asset at present is the SFS unawareness of CADROIT's relaisation that the Spitzel is more than an ordinary mailer. Probably the first step should be to build a history of confidence fills on the part of the SE in any case. The SFS should beconvinced that the they have a secure penetration of CADROIT. CARBO seemed surprised that [] did not want Proclich and CARBO to attempt an immediate doubling operation, but saw the wisdom of treating the case slowly and carefully. For CART. COMMENT: There are many possibilities which this case appears to possess. The Spitzel could be turned over to an American handler after a suitable period, in order to convince the SPS that they have the makings of a valuable penetration.

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He could be given various "Testing" missions in the DDR which would increas in importance. After approx one year, he could thus immunicated be considered as a tested courier (or other type) agent whom the Americans considered maintains reliable. The Spitsel could then be used for CADRAMS purposes against SFS or other targets, either to destroy them, or, to force them to flee to the West (for further exploitation there) due to the growing suspicion of them in the East.

- 2. Further re KAISER: KAISER visited CADROIT again on 27 Apr, where CARBO dealt with him. K. is still in touch with Etykow of SCHUBA-100, who wants to work him in with the SCHUBA-100 sender in Macmohen. He have appeared clearly to regret his sending the threatening letter to the Sosialant and has apologized to CARBO, after reluctantly admitting that he had sent the letter at all.
- 3. Diefed CERBO that he hoped independent action would be taken within a fairly short period of time to remove the KAISER problem from CAIROIT through an outside approach. CARBO felt that the furniture firm (Buebner) could be stalled until 31 May, The bank could probably also be fended off from repossessing for a couple of weeks. Meanwhile, the CARBOHIDRATE contact with KAISER seems to be paying real dividends, since his attitute has changed considerably from what it was when he was in touch with the Sosielans. KAISER volunteered to go to the osielant and apologize for his letter.

NEXT MEETING: 2 May 1955, 1900. CARBO's Apt.

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